

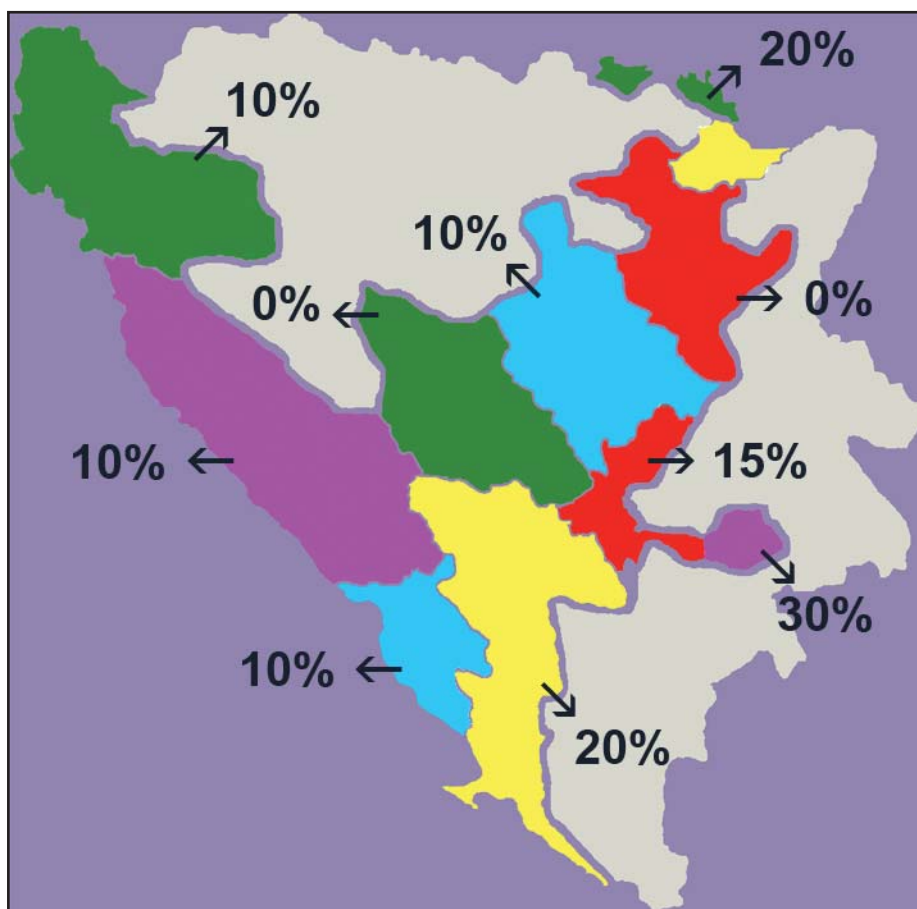


USAID
FROM THE AMERICAN PEOPLE

BOSNIA-HERZEGOVINA

QUARTERLY NEWSLETTER

Summer 2007



Taxes on high-income individuals in the Federation vary dramatically

Taxes Must be Equal for Everybody

A Gorazde resident with a high salary pays a 30% tax on his income, while Tuzla and Middle Bosnia residents earning the same amount pay nothing. This type of unequal treatment of taxpayers is something the new Federation direct tax reform aims to correct.

Current tax law is complicated, requiring citizens to pay multiple taxes to a variety of jurisdictions. High rates have led BiH to become a country of tax evaders. The new personal income tax would simplify the system. Seven separate citizen

taxes, plus the wage tax and the tax on high incomes would be replaced with a single personal income tax in

"By voting for this legislation, our Parliamentarians put citizens interests ahead of their own personal benefit,"

--Pero Bosnic, Senior Policy Analyst, USAID Tax Administration Reform Activity (TARA)

the Federation. Approximately 60% of citizens will pay less than they do today. Rates are so low that the

Anti-Trafficking



NE TRGUJ SVOJIM ŽIVOTOM

Education key to stopping trafficking

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Networking



Independence goal for disabled persons

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other 40% would see only a small increase. The slightly higher taxes would fall mostly on high-earning individuals--some of whom currently lower their payments by using addresses of family members living in Tuzla and Middle Bosnia Cantons. Ironically, the Parliamentarians who must vote for the new law are among the minority whose taxes will likely increase," says Pero Bosnic, senior

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British tour operators visit Franciscan Monastery and Humac Museum in Ljubuski

British Tour Agents Captivated By BiH

I am fascinated with what I have seen and tried while I was here. My agency will do our best to include your country in our tourist offer," exclaimed U.K. tourist agent Allison White during her first visit to BiH.

Eleven British tour operators and eight journalists traveled to various destinations in BiH courtesy of the BiH Tourism Cluster with the support of USAID. The tour operators specialize in ecological tourism, youth tourism, "city breaks", and educational journeys.

The visit was organized in cooperation with British Airways, which launched its first direct flight from London to Sarajevo on March 25.

The guests toured the country, visiting Sarajevo and nearby Olympic ski



BiH tourism brochures show variety of offerings available

Local Initiative



USAID congratulates exhibitors at BiH's 5th International Festival of Tea and Healing Herbs. Previously, the festival received assistance from USAID's Linking Agriculture Markets and Producers (LAMP) project.

However, the festival has become so successful that this year, for the first time, it did not need USAID's financial support.

slopes, Mostar, Trebinje, Pocitelj, Stolac, and Medjugorje. They sampled products on the famous Herzegovina Wine Route, and viewed a presentation by the regional tourism association.

Sead Krupalija, of the local agency Zepter Passport, commented: "This was an excellent journey. We have already agreed on short trips to Sarajevo with the London-based Balkan Holidays travel agency. Thomas Cook is interested in fly fishing and Saga Holidays in cultural tourism." USAID has facilitated development of Sarajevo and BiH tour guidebooks. Said British journalist John Bell, "Nowadays, when you enter any bookstore in the U.K., you will be able to find a whole selection of guides to BiH. This represents important progress."

The U.K. generates more outbound tourists than any other country in Europe. The BiH tourist industry now has a much higher opportunity to attract customers from this market.

NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF

♦ Banja Luka Municipality opened a new urban permitting center with support from the Governance Accountability Project (GAP) funded by USAID and SIDA. A geographic information system will provide a more user-friendly, transparent and efficient process for obtaining urban permits. ♦ The BiH Food Safety Agency, the BiH Plant Protection Society and entity

ministries of agriculture agreed on an action plan to remove highly toxic pesticides from the BiH market by the end of the year. The meeting was facilitated by USAID's Linking Agriculture and Producers (LAMP) project. ♦ USAID's ELMO project signed a memorandum of understanding with the RS and Federation governments to develop a centralized electronic database that will

account for all social contribution data. Now, instead of having to register contribution data in four locations, everything can be taken care of by one trip to the tax administration where the databases will be located. ♦ USAID's Civic Advocacy Partnership Program worked with the Roma association Be My Friend to publish a bilingual publication on Roma people's rights in BiH.

INDEPENDENCE IS GOAL FOR WHEELCHAIR USERS

When most people first see Biljana Nedic, they might not imagine dancing as one of her favorite pastimes. But that all changes once the music starts and Biljana starts moving her body and twirling her wheelchair to the beat. Biljana is a trainer with UDAS, a non-

profit organization of wheelchair users based in Banja Luka. With USAID support, UDAS recently linked with the Motivation Romania Foundation to provide custom-fitted wheelchairs and repairs to people with disabilities. Motivation Romania provides the parts and UDAS assem-

bles and distributes the wheelchairs free of charge.

For Biljana, one of the most important aspects of the program is the support it provides. "Some of our members were injured recently and are still in



UDAS members enjoy a friendly game of basketball

the phase where they think their lives have ended. We try to teach them that being in a wheelchair is something they can accept."

Trainers accompany peers in their daily routines, teaching them to cook, clean, use stairs and even dance in their chairs. "Most people we train never left their houses. Now they are out socializing and learning," says Biljana with a smile.



Biljana Nedic is working to remove barriers so that wheelchair users can go to the cinema, theater and supermarket without assistance

RAFTING



USAID's assistance has helped make rafting one of the top sports in BiH, says Aleksandar Pastir, President of the Kanjon Rafting Club in Banja Luka. Kanjon's ecological regattas have helped clean rivers as well as qualify BiH to host the 2009 World Rafting Championship.

CULTURE



USAID is supporting the preservation of BiH's cultural and historic heritage with the installation of 30-information boards for designated monuments in the Sarajevo area. The first was recently unveiled at Svrzina Kuca, the only surviving example of 17th century Ottoman residential architecture in Sarajevo.

DEMOCRACY



USAID recently sponsored a gathering in Banja Luka of groups working within RS and Federation political parties to advance the causes of women and youth. The organizations worked on their campaign and public relations strategies with the aim of gathering support for legislative proposals.

Trafficking Raising Awareness of Trafficking Danger Reduces Risk



Sanela (not her real name) met her first boyfriend when she was only 15 years old. The boyfriend was older and wealthy by her village's standards. Each time he would come to visit, he would bring a gift. One time he even brought the family a new television, an act which forever endeared him to her alcoholic father. Later, the boyfriend brought Sanela to a private apartment where her nightmare began. She was held against her will and forced to have sex with a string of men passing through. When she protested, the boyfriend beat her. Unfortunately, stories like Sanela's are becoming more common with each passing day in BiH. Trafficking in persons is an increasing problem that can involve both sex-

ual and labor exploitation of its victims.

High unemployment, political instability and lack of opportunities for young people have created an opportunity for international and internal traffickers to exploit BiH youth by making false promises about well-paying jobs abroad or in urban settings. Often women answer job advertisements for positions such as dancers, waitresses and nannies only to find themselves held against their will and forced into prostitution and sexual slavery.

The Prevention and Awareness Campaign funded by USAID and implemented by the International Organization for Migration (IOM), prevents human trafficking not only by raising awareness among BiH society, but also by providing a toll free phone number for people to provide information and request assistance. The number is: SOS LINE 1261.

The campaign is important as a recent poll found only 13% of BiH citizens believe that trafficking exists in their immediate surroundings. This indicates that many people are unable to identify a human trafficking case.

As for Sanela, her story has a happy ending. She found her way to a shelter for trafficked women. She now has a sponsor who helped her find an apartment, a part-time job and get back in school. USAID hopes other victims do as well.



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policy analyst with USAID's Tax Administration Reform Activity.

Another change is that the new personal income tax will be more transparent. Previously, workers saw only how much money they were taking home and not how much taxes were being paid. "Under the new system, people

will get their paychecks and see exactly how much they are paying the government in taxes, so hopefully they will care more about how their tax money is being spent," says Bosnic.

Finally, the new tax system would be harmonized with the RS and Brcko so that people living in one entity but working in another would be treated in a similar fashion.

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